

**UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
Bismarck, ND 58502**

October 23, 2006

SUBJECT: Water and Waste Disposal Interest Rates, Grant Levels and Applicable Median Household Incomes

TO: Business and Community Program Section

PURPOSE/INTENDED OUTCOME: Advise of median household income levels and quarterly changes in interest rates.

COMPARISON WITH PREVIOUS AN: This AN replaces ND AN No. 1461 (RUS 1780) dated June 20, 2006.

IMPLEMENTATION/RESPONSIBILITIES: Water and Waste Disposal loans approved October 1, 2006 through December 31, 2006 will have interest rates as set out below. The 2000 Census Data and Median Household Income will be used for all applications.

INTEREST RATES

- 4.500% - Poverty Line Rate: Must meet conditions of RUS Instruction 1780.13 (b) (1) and (2)
Poverty Rate Income: \$27,104 or less
- 4.375% - Intermediate Rate: RUS Instruction 1780.13 (c), not to exceed 7%
Intermediate Rate Income: \$27,105 to \$33,880
- 4.375% - Market Rate: RUS Instruction 1780.13 (d)
Market Rate Income: \$33,881 or more

MEDIAN HOUSEHOLD INCOMES FOR GRANT DETERMINATION

- 75% grant maximum - Median Household Income of \$27,104 or less
- 45% grant maximum - Median Household Income of \$27,105 to \$33,880
- Not eligible for grant - Median Household Income of \$33,881 or more

CLARE A. CARLSON
State Director

EXPIRATION DATE:
December 31, 2006

FILING INSTRUCTIONS:
Operational 1780-A